

**A.**

## **Finance Commission**

**Committee Material**

**And**

**Other Finance Commission Matters**

# AGENDA

## FINANCE COMMISSION MEETING

Friday, June 15, 2012

9:00 a.m.

Hearing Room E2.028, Texas Capitol Extension  
Austin, Texas 78701

*Section A.3 will take up the following agenda items with NO DISCUSSION as notated in bold and italicized: A1; B4-7; C2-3; D2.*

Public comment on any agenda item or issue under the jurisdiction of the Finance Commission agencies is allowed unless the comment is in reference to a rule proposal for which the public comment period has ended. However, upon majority vote of the Commission, public comment may be allowed related to final rule adoption.

### A. Finance Commission Matters

1. *Review and Approval of the Minutes of the April 20, 2012, Finance Commission Meeting.*
2. General Public Comment.
3. Consent Agenda.
4. Finance Commission Operations – Legislative Issues; Testimonies and Correspondence; and Agency Complaints.
5. Study Committee Report
  - A. Discussion of and Possible Vote to Take Action on the Report on the Finance Commission Study of Fees, Costs, Interest, and Other Expenses Charged in Connection with the Transfer of Property Tax Liens.
  - B. Discussion of and Possible Vote to Adopt the Finance Commission of Texas Ethics Policy.
6. Audit Committee Report
  - A. Audit Committee Review of Agencies' Activities
  - B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's Investment Policy.
7. Discussion and Possible Vote to Take Action on the Strategic Planning for the Finance Commission Agencies' 2013-2017 Strategic Plans.
8. Discussion of and Possible Action Regarding Personnel Matters Pursuant to Section 551.074, Texas Government Code: Deliberations with Respect to the Duties of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties of Persons Holding the Position of Agency Commissioner Positions, and Other Staff.

9. Discussion of and Possible Action Regarding Facility Planning and Real Property Matters Pursuant to Section 551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property.
10. Discussion of and Possible Action Regarding Anticipated and Pending Litigation Pursuant to Section 551.071, Texas Government Code, for the purpose of seeking the advice or attorney-client privileged communications from our attorneys regarding pending and contemplated litigation.

*The Finance Commission of Texas, The Credit Union Commission of Texas, and Texas Bankers Association v. Association of Community Organizations for Reform Now (ACORN), Valerie Norwood, Elise Shows, Maryann Robles-Valdez, Bobby Martin, Pamela Cooper, and Carlos Rivas.*

#### **B. Department of Savings and Mortgage Lending**

1. Industry Status and Departmental Operations – State Savings Bank Activity: a) Industry Status; b) State Savings Bank Charter and Application Activity; c) Wholesale Savings & Loan Charter and Application Activity; d) Recap of Problem Institutions/Enforcement Issues; and e) Other Issues.
2. Industry Status and Departmental Operations – Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; c) Consumer Complaints/Legal Activity; d) Mortgage Industry Advisory Committee Minutes; and e) Other Issues.
3. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; and c) Other Issues.
4. *Discussion of and Possible Vote on the Adoption of the Proposed Repeal of 7 TAC Chapter 80 as found in §§80.8 - 80.23 and §§80.301 - 80.307.*
5. *Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC Chapter 80 concerning Subchapter A General Provisions, including §80.1, concerning Scope; §80.2, concerning Definitions; §80.3, concerning Interpretations; §80.4, concerning Enforceability of Liens; and §80.5, concerning Savings Clause; Subchapter B, concerning Licensing, including §80.100, concerning Licensing-General; §80.101, concerning, Education Program; §80.102, concerning Sponsorship and Termination Thereof; §80.103, concerning License Record Changes; §80.104, concerning Background Checks; §80.105, concerning Request for Criminal History Eligibility Determination; §80.106, concerning Renewals; and §80.107, concerning Fees; Subchapter C, concerning Duties and Responsibilities, including, §80.200, concerning Required Disclosures; §80.201, concerning Loan Status Forms; §80.202, concerning Prohibition on False, Misleading, or Deceptive Practices and Improper Dealings; §80.203, concerning Advertising; §80.204, concerning Books and Records; and §80.205, concerning Mortgage Call Reports; and Subchapter D, concerning Compliance and Enforcement, including §80.300, concerning Examinations; §80.301, concerning Complaints, Investigations, Administrative Penalties, and Disciplinary and/or Enforcement Actions; and §80.302, concerning Hearings and Appeals.*
6. *Discussion of and Possible Vote on the Adoption of the Proposed Repeal of 7 TAC Chapter 81 as found in §§81.1 - 81.20.*

7. *Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC Chapter 81 concerning Subchapter A General Provisions, including §81.1, concerning Scope; §81.2, concerning Definitions; §81.3, concerning Interpretations; §81.4, concerning Enforceability of Liens; and §81.5, concerning Savings Clause; Subchapter B, concerning Licensing, including §81.100, concerning Licensing-General; §81.101, concerning Sponsorship and Termination Thereof; §81.102, concerning Recovery Fund; §81.103, concerning Request for Criminal History Eligibility Determination; §81.104, concerning Renewals; and §81.105, concerning Fees; Subchapter C, concerning Duties and Responsibilities, including, §81.200, concerning Required Disclosures; §81.201, concerning Loan Status Forms; §81.202, concerning Prohibition on False, Misleading, or Deceptive Practices and Improper Dealings; §81.203, concerning Advertising; §81.204, concerning Books and Records; and §81.205, concerning Mortgage Call Reports; and Subchapter D, concerning Compliance and Enforcement, including §81.300, concerning Examinations; §81.301, concerning Complaints and Investigations; and §81.302, concerning Hearings and Appeals.*
8. Discussion of and Possible Action Regarding Anticipated and Pending Litigation.

**C. Office of Consumer Credit Commissioner**

1. Industry Status and Departmental Operations: a) Consumer Protection; b) Consumer Assistance; c) Licensing; d) Credit Education; e) Financial and Administration; f) Legal Activity; and g) Legislative Activity.
2. *Discussion of and Possible Vote to Take Action on the Adoption of the Completed Rule Review of 7 TAC, Part 1, Chapter 1, Concerning Consumer Credit Regulation.*
3. *Discussion of and Possible Vote to Take Action on the Adoption of the Completed Rule Review of 7 TAC, Part 5, Chapter 82, Concerning Administration.*
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to and New Rules in 7 TAC, Chapter 89, Concerning Property Tax Lenders, Resulting from Rule Review.
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §1.201, Concerning Interpretations and Advisory Letters.
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §2.104, Concerning Application and Renewal Fees Relating to Residential Mortgage Loan Originators Applying for Licensure with the OCCC Under the SAFE Act.
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §82.1, Concerning Custody of Criminal History Information; and §82.2, Concerning Public Information Requests; Charges.
8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New 7 TAC §83.838, Concerning Loans with Multiple Advances.
9. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §83.3002, Concerning Filing of New Application Relating to Credit Access Businesses.

10. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §84.804, Concerning Disclosures and Contract Provisions Required by Texas Finance Code; §84.808, Concerning Model Clauses; and §84.809, Concerning Permissible Changes Relating to Motor Vehicle Retail Installment Sales Contract Provisions.

11. Discussion of and Possible Action Regarding Anticipated and Pending Litigation

**D. Department of Banking**

1. Industry Status and Departmental Operations: a) Items of Interest from the Commissioner's Office; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Special Audits Division Activities; e) Fiscal Division Activities; f) Strategic Support Division Activities; g) Legal Division Activities; h) Legislative Activity; and i) General Items of Interest.

2. *Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §25.25 Concerning Conversion from Trust-Funded to Insurance-Funded Benefits (Prepaid Funeral Contracts).*

3. Discussion of and Possible Action Regarding Anticipated and Pending Litigation.

*State of Texas v. Stephenville Memorial Gardens, Inc.*; Cause No. 30853, in the 266th District Court of Erath County, Texas.

*Texas Department of Banking v. Greg Abbott, Attorney General of Texas*; Cause No. D-1-GV-11-001906, In the 53rd District Court of Travis County, Texas.

**Note:** The Finance Commission Committee may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, TEXAS GOVERNMENT CODE, Chapter 551.

**Meeting Accessibility:** Under the Americans with Disabilities Act, the Finance Commission of Texas will accommodate special needs. Those requesting auxiliary aids or services should notify Tammy King Wooten, Finance Commission of Texas, 2601 North Lamar Boulevard, Austin, Texas 78705, (512) 936-6222, as far in advance of the meeting as possible.

# MINUTES OF THE FINANCE COMMISSION MEETING

Friday, April 20, 2012

The Finance Commission of Texas met Friday, April 20, 2012, in Hearing Room E2.028, Texas Capitol Extension, 1100 N. Congress Avenue, Austin, Texas

## **Members in attendance:**

Bill White, Finance Commission Chair  
Susan Burton, Finance Commission Member  
Darby Byrd, Finance Commission Member  
Stacy London, Finance Commission Member  
Cindy Lyons, Finance Commission Member  
Lori McCool, Finance Commission Member  
Jonathan Newton, Finance Commission Member  
Larry Patton, Finance Commission Member  
Paul Plunket, Finance Commission Member  
Jay Shands, Finance Commission Member

## **Member absent:**

Victor Leal, Finance Commission Member

## **Others in attendance:**

Doug Foster, Executive Director to the Finance Commission and Commissioner, Texas Department of Savings and Mortgage Lending (SML)  
Leslie Pettijohn, Commissioner, Office of Consumer Credit Commissioner (OCCC)  
Rudy Aguilar, Director of Consumer Protection, Office of Consumer Credit Commissioner (OCCC)  
Stephanie Newberg, Deputy Commissioner, Texas Department of Banking (DOB)  
Bob Bacon, Deputy Commissioner, Texas Department of Banking (DOB)  
Kaylene Ray, General Counsel, Texas Department of Banking (DOB)  
Wendy Rodriguez, Director of Strategic Support, Texas Department of Banking (DOB)  
Jim Crowson, Assistant Attorney General, Office of the Attorney General

Finance Commission Chair Bill White announced a quorum with ten members present and called the meeting to order at 10:02 a.m.

## **Finance Commission Matters**

### **Review and Approval of the Minutes of the February 16, 2012, Industry Briefing Session.**

Darby Byrd made a motion to approve the minutes of the February 16, 2012, Industry Briefing Session of the Finance Commission Meeting. Susan Burton seconded and the minutes were adopted.

### **Review and Approval of the Minutes of the February 17, 2012, Finance Commission Meeting.**

Stacy London made a motion to approve the minutes of the February 17, 2012, Finance Commission Meeting. Jonathan Newton seconded and the minutes were adopted.

## **General Public Comment**

No public comments were received.

## **Consent Agenda.**

Cindy Lyons made a motion that the Finance Commission approve consent agenda items B3; C2. Lori McCool seconded and the motion was adopted. (A copy of the consent agenda is attached).

## **Finance Commission Operations – Legislative Issues; Testimonies and Correspondence; and Agency Complaints.**

Finance Commission Chair noted that the December meeting date had been changed and would be held on December 14, 2012.

Commissioner Foster opened with a discussion of legislative items and discussed the interim charges relating to the Senate Committee on Intergovernmental Relations. The interim charges were released in March and require a study of current law regarding transfer of tax liens and the recommendation for any necessary changes.

He highlighted the testimony presented by the agencies before the Senate Committee on Business and Commerce.

Chairman White requested clarification of the OCCC's testimony before the House Pensions, Investments, and Financial Services Committee regarding the sharing of information with Consumer Financial Protection Bureau (CFPB) and state confidentiality requirements. Commissioner Pettijohn addressed the questions.

## **Discussion of and Possible Vote to Accept the *Report of the Financial Condition of the State Banking System.* (Bound separately)**

Director Wendy Rodriguez gave an overview of the March 2012 Texas State Banking System report. Deputy Commissioner Bacon highlighted the condition of state banks compared it to the previous year and discussed the general improvement of the industry.

Susan Burton made a motion to accept the *Report of the Financial Condition of the State Banking System.* Stacy London seconded and the motion was adopted.

## **Study Committee Report**

### **Progress Report on the Finance Commission Study of Fees, Costs, Interest, and Other Expenses Charged in Connection with the Transfer of Property Tax Liens.**

Committee Chair Byrd noted the final report should be presented for action to the Finance Commission Board in the June meeting and then would be submitted to the Legislature.

### **Discussion of and Possible Vote to Adopt Finance Commission of Texas Procedures Regarding Potential Conflict of Interest.**

Committee Chair Byrd gave an overview of the Procedures Regarding Potential Conflict of Interest stating that a motion was made and approved by the Study Committee.

He presented the following motion:

#### **Investigation of Potential Conflicts of Interest**

If a member of the finance commission or an agency commissioner is made aware of a potential conflict of interest involving a member of the finance commission or an agency commissioner as such conflicts are described in Exhibit A to these Policies and Procedures, it is the duty of that person to report the matter to the chair of the commission, the chair of the audit committee, and the chair of the strategic planning committee. The chair of the commission, two committee chairs, or a majority of the commission at a properly posted commission meeting may engage as deemed appropriate the services of one or more of the office of the attorney general, independent counsel (through prescribed procedures), its internal auditors, and the office of the state auditor to determine and report to the finance commission for its consideration the relevant facts and circumstances surrounding the potential conflict of interest.

This text would be included as a third paragraph under STANDARDS OF CONDUCT in the Finance Commission's Policies and Procedures manual.

Committee Chair Byrd stated the Study Committee recommended Adoption of the Finance Commission of Texas Procedures Regarding Potential Conflict of Interest. A second was not needed and the motion carried.

Committee Chair Byrd brought forward an additional motion from the Study Committee recommending to the Finance Commission that the Study Committee be given the responsibility for developing an ethics policy related to the conflict of interest policy for the Finance Commission and agency heads. A second was not needed and the motion carried.

## **Audit Committee Report**

### **Audit Committee Review of Agencies' Activities.**

Committee Chair Lyons presented an overview of the Audit Committee discussions.

### **Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' February 29, 2012, Investment Officer Reports.**

Committee Chair Lyons provided an overview of the February 29, 2012, Investment Officer Reports prepared for OCCC, DOB, and SML.

Committee Chair Lyons made a motion on behalf of the Audit Committee that the Finance Commission Accept the Agencies' February 29, 2012, Investment Officer Reports. A second was not needed and the motion carried.

### **Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Second Quarter Financial Statements.**

Committee Chair Lyons provided an overview of the Second Quarter Financial Statements prepared for OCCC, DOB, and SML.

Committee Chair Lyons made a motion on behalf of the Audit Committee that the Finance Commission Accept the Agencies' Second Quarter Financial Statements. A second was not needed and the motion carried.

### **Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's Follow-up Audit Report as Prepared by the State Auditor's Office.**

Committee Chair Lyons provided an overview for the State Auditor's Follow-up Audit Report for the OCCC.

Committee Chair Lyons made a motion on behalf of the Audit Committee that the Finance Commission Accept the Office of Consumer Credit Commissioner's Follow-up Audit Report as Prepared by the State Auditor's Office. A second was not needed and the motion carried.

### **Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Audit of the Department of Banking's Prepaid Funeral Guaranty Funds.**

Committee Chair Lyons provided an overview for the Department of Banking's Prepaid Funeral Guaranty Funds Audit, conducted by Garza/Gonzalez & Associates, noting there were no written recommendations.

Committee Chair Lyons made a motion on behalf of the Audit Committee that the Finance Commission Accept the Audit of the Department of Banking's Prepaid Funeral Guaranty Funds. A second was not needed and the motion carried.



**Discussion of and Possible Vote Taking Action on the Finance Commission Agency Heads' Fiscal Year 2012 Mid-Term Accomplishment Reports.**

Darby Byrd made a motion to accept the Finance Commission Agency Heads' Fiscal Year 2012 Mid-Term Accomplishment Reports. Jay Shands seconded and the motion was adopted.

**Discussion Regarding the Process of Strategic Planning for the Finance Commission Agencies' 2013-2017 Strategic Plans.**

Committee Chair London gave an overview of the Agencies' Strategic Plan noting that all agencies are on target and have held their Taskforce and Stakeholder's meetings. She highlighted when each agency's draft of the strategic plan would be completed.

**Office of Consumer Credit Commissioner**

**Industry Status and Departmental Operations:**

Commissioner Pettijohn provided an overview of operations.

She reported on the level of compliance regarding motor vehicle sales finance examination activities detailing incremental increases in improved compliance.

Commission Member Plunket requested clarification regarding the comparison of license and registration levels; Commissioner Pettijohn addressed the questions. The commission and Director Rudy Aguilar discussed examiner staffing and the examination process. He detailed examination issues relating to restitution of consumer finance charges and the assessment of penalties.

Commissioner Pettijohn highlighted the financial education area and noted that the State Board of Education was revising the Texas Essential Knowledge and Skills (TEKS) components for mathematics to include elements relating to personal finance. She commented on SB 290 from the previous legislative session which amended the education code requiring the TEKS mathematics component contain instruction and personal financial literacy.

Commissioner Pettijohn advised the members that the Attorney General's Office has received an opinion request related to property tax lending and the authority of the tax assessor-collector.

Further, she discussed a request for official interpretation that had been recently withdrawn and would now be handled as a proposed rule.

**Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §83.6007, Concerning Consumer Disclosures for Credit Access Businesses.**

Commissioner Pettijohn and Laurie Hobbs, Assistant General Counsel, provided an overview of the proposed rule.

Jonathan Newton made a motion to Approve the Amendments to 7 TAC §83.6007, Concerning Consumer Disclosures for Credit Access Businesses. Darby Byrd seconded and the motion was adopted.

**Discussion of and Possible Vote to Take Action on the Publication for Comment of Amendments to and New Rules in 7 TAC, Chapter 89, Concerning Property Tax Lenders, Resulting from Rule Review.**

Commissioner Pettijohn provided an overview of the proposed rule.

A request for public testimony regarding the Property Tax Lenders Rule was received. Mary Doggett, General Counsel, Texas Property Tax Lienholder's Association, commented that the OCCC staff was helpful during the preliminary rule commenting period. She stated the procedure and time allowance available for rule comments and process was very beneficial.

Stacy London made a motion to Approve the Publication for Comment of Amendments to and New Rules in 7 TAC, Chapter 89, Concerning Property Tax Lenders, Resulting from Rule Review. Susan Burton seconded and the motion was adopted.

**Discussion of and Possible Vote to Adopt a Resolution Recommending that the Legislature Consider Legislation to Support Uniformity of Laws Governing Credit Access Businesses.**

Commissioner Pettijohn provided an overview of the proposed resolution.

Following lengthy discussion, Susan Burton made a motion to Approve the Resolution Recommending that the Legislature Consider Legislation to Support Uniformity of Laws Governing Credit Access Businesses. Stacy London seconded and the motion was adopted with 9 ayes and 1 nay.

Jonathan Newton opposed the resolution and voted against.

## **Department of Banking**

**Industry Status and Department Operations:**

Deputy Commissioner Bacon provided a general overview of the agency's operations and summarized the community banking issues. He highlighted the Dodd-Frank regulations and the increase of federal legislation or rules.

He commented on the IRS notification to finalize the rule of sharing information with foreign governments on deposit accounts. There was discussion regarding the necessity of this rule and process. Deputy Commissioner Bacon then gave a summary of the bank and trust supervision activities, noting the priorities of the compliance and examination areas.

Deputy Commissioner Newberg gave an overview of the special audits activities noting that two employees will retire this summer. She highlighted the agency's staffing and employee data, including hiring opportunities and performance measures. She continued with the complaints summary regarding regulated and non-regulated entities.

Deputy Commissioner Bacon gave an overview of the agency's recent staff conference and office survey.

Kaylene Ray, General Counsel, provided an update on the legal division's activities. There was discussion among members regarding ATM notices and frivolous lawsuits.

**Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §25.25 Concerning Prepaid Funeral Contracts.**

Stacy London made a motion to Publish Proposed Amendments to 7 TAC §25.25 Concerning Prepaid Funeral Contracts. Jonathan Newton seconded and the motion was adopted.

**Discussion of and Possible Action Regarding Anticipated and Pending Litigation.**

There was no discussion on this agenda item.

## **Department of Savings and Mortgage Lending**

**Industry Status and Departmental Operations:**

Commissioner Foster gave an overview of the agency's executive summary and industry profile. He highlighted the increase in state chartered thrift assets of 7.5% and the profitability of 71% in thrift institutions during 2011. He detailed that the troubled assets had also decreased. The Commissioner discussed the compliance observer program and stated additional staff is being trained in this area.

He discussed the current mortgage licensee population and renewal or reinstatement process, and provided information regarding results of large mortgage banker examinations.

He gave a general overview of consumer complaints, the agency's performance measures and stated a continued high volume of new mortgage license requests.

Commissioner Foster gave an update on the Mortgage Industry Advisory Committee (MIAC) meeting held on March 28, 2012. He detailed the examination, licensing and strategic plan information, while discussing the current rule review and revisions related to Chapters 80 and 81.

**Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC Chapter 80 (§§80.8 - 80.23 and §§80.301 - 80.307) relating to Texas residential mortgage loan originator regulations, under Rule Review.**

Nathan McDonald presented the rule.

Jay Shands made a motion to Readopt 7 TAC Chapter 80 (§§80.8 - 80.23 and §§80.301 - 80.307) relating to Texas residential mortgage loan originator regulations, under Rule Review. Larry Patton seconded and the motion was adopted.

**Discussion of and Possible Vote on the Publication of the Proposed Repeal of 7 TAC Chapter 80 as found in §§80.8 - 80.23 and §§80.301 - 80.307.**

Nathan McDonald presented the rule.

Cindy Lyons made a motion to Approve for Publication the Proposed Repeal of 7 TAC Chapter 80 as found in §§80.8 - 80.23 and §§80.301 - 80.307. Susan Burton seconded and the motion was adopted.

**Discussion of and Possible Vote to Take Action on the Publication for Comment of New 7 TAC Chapter 80, Subchapter A, §§80.1-80.5; Subchapter B, §§80.100-80.107; Subchapter C, §§80.200-80.205; and Subchapter D, §§80.300-80.302**

Nathan McDonald provided an overview of the proposed rule.

Stacy London made a motion to approve Publication of Proposed New 7 TAC Chapter 80, Subchapter A, §§80.1-80.5; Subchapter B, §§80.100-80.107; Subchapter C, §§80.200-80.205; and Subchapter D, §§80.300-80.302, for comment in the *Texas Register*. Cindy Lyons seconded and the motion was adopted.

**Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC Chapter 81 (§§81.1 - 81.20) relating to mortgage banker registration and residential mortgage loan officer licensing, under Rule Review.**

Nathan McDonald presented the rule.

Larry Patton made a motion to Readopt 7 TAC Chapter 81 relating to mortgage banker registration and residential mortgage loan officer licensing, under Rule Review. Jay Shands seconded and the motion was adopted.

**Discussion of and Possible Vote on the Publication of the Proposed Repeal of 7 TAC Chapter 81 as found in §§81.1 - 81.20.**

Nathan McDonald presented the rule.

Stacy London made a motion to approve Publication of the Proposed Repeal of Chapter 81 as found in §§81.1 - 81.20 for comment in the *Texas Register*. Jonathan Newton seconded and the motion was adopted.

**Discussion of and Possible Vote to Take Action on the Publication for Comment of New 7 TAC Chapter 81, Subchapter A, §§81.1- 81.5; Subchapter B, §§81.100-81.105; Subchapter C, §§81.200-81.205; and Subchapter D, §§81.300-81.302.**

Nathan McDonald provided an overview of the proposed rule.

Stacy London made a motion to approve Publication of Proposed New 7 TAC Chapter 81, Subchapter A, §§81.1- 81.5; Subchapter B, §§81.100-81.105; Subchapter C, §§81.200-81.205; and Subchapter D, §§81.300-81.302, for comment in the *Texas Register*. Susan Burton seconded and the motion was adopted.

### **Finance Commission Matters (Continued)**

Chairman White called for an Executive Session at 12:02 p.m.

Chairman White reconvened the Open Meeting of the Finance Commission at 12:32 p.m.

#### **Discussion of and Possible Action Regarding Personnel Matters Pursuant to Section 551.074, Texas Government Code: Deliberations with Respect to the Duties of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties of Persons Holding the Position of Agency Commissioner Positions, and Other Staff.**

Chairman White noted that no final action, decision, or vote on matters deliberated during executive session was made by the members.

#### **Discussion of and Possible Action Regarding Facility Planning and Real Property Matters Pursuant to Section 551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property.**

Chairman White noted that no final action, decision, or vote on matters deliberated during executive session was made by the members.

#### **Discussion of and Possible Action Regarding Anticipated and Pending Litigation Pursuant to Section 551.071, Texas Government Code, for the purpose of seeking the advice or attorney-client privileged communications from our attorneys regarding pending and contemplated litigation.**

No discussion occurred on the agenda item.

There being no further business, Commission Chair Bill White adjourned the meeting of the Finance Commission at 12:33 p.m.

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Bill White, Chair  
Finance Commission of Texas

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Doug Foster, Executive Director of the  
Finance Commission of Texas

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Tammy King Wooten, Executive Assistant  
Finance Commission of Texas

# **FINANCE COMMISSION OF TEXAS**

## **CONSENT AGENDA 04/20/2012**

### **Office of Consumer Credit Commissioner (B3)**

Discussion of and Possible Vote to Take Action on the Adoption of the Completed Rule Review of 7 TAC, Chapter 89, Property Tax Lenders.

### **Department of Banking (C2)**

Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §12.7 Concerning Lease Financing, 7 TAC §12.9 Concerning Aggregation and Attribution, and 7 TAC §12.10 Concerning Nonconforming Loans.

Rule	Short Title/Purpose	Project Date for Presentation to Finance Commission (Proposal or Adoption)	Agency
1. 7 TAC, Chapter 80	<b>Texas Residential Mortgage Loan Originator</b> <i>Proposed repeal to allow the department the ability to reorganize the rules, clarify existing rules and practices, and use current terminology</i>	06/15/12 adoption	SML
2. 7 TAC, Chapter 80	<b>Texas Residential Mortgage Loan Originator</b> <i>Proposed New Rules - reorganized the rules, clarified existing rules and practices, and used current terminology.</i>	06/15/12 adoption	SML
3. 7 TAC, Chapter 81	<b>Mortgage Banker Registration and Residential Mortgage Loan Officer Licensing</b> <i>Proposed repeal to allow the department the ability to reorganize the rules, clarify existing rules and practices, and use current terminology.</i>	06/15/12 adoption	SML
4. 7 TAC, Chapter 81	<b>Mortgage Banker Registration and Residential Mortgage Loan Originator Licensing</b> <i>Proposed New Rules - reorganized the rules, clarified existing rules and practices, and used current terminology.</i>	06/15/12 adoption	SML
1. 7 TAC, Part 1, Chapter 1	<b>Consumer Credit Regulation</b> <i>Adopt Rule Review</i> To adopt completed review of Part 1, Chapter 1	06/15/12 adoption	OCCE
2. 7 TAC, Part 5, Chapter 82	<b>Administration</b> <i>Adopt Rule Review</i> To adopt completed review of Part 5, Chapter 82	06/15/12 adoption	OCCE
3. 7 TAC, Part 5, Chapter 89	<b>Property Tax Lenders</b> <i>Adopt Amendments and New</i> To implement changes resulting from rule review	06/15/12 adoption	OCCE

Rule	Short Title/Purpose	Project Date for Presentation to Finance Commission (Proposal or Adoption)	Agency
4. 7 TAC, §1.201	<b>Consumer Credit Regulation</b> <i>Proposed Amendments</i> To implement changes resulting from the commission's review of Chapter 1	06/15/12 proposal	OCCC
5. 7 TAC, §2.104	<b>Residential Mortgage Loan Originators Applying for a License with the OCCC Under the SAFE Act</b> <i>Proposed Amendments</i> To update licensing fee procedures	06/15/12 proposal	OCCC
6. 7 TAC, §82.1 and §82.2	<b>Administration</b> <i>Proposed Amendments</i> To implement changes resulting from the commission's review of Chapter 82	06/15/12 proposal	OCCC
7. 7 TAC, §83.838	<b>Loans with Multiple Advances</b> <i>Proposed New</i> To provide guidelines and specify the scope of Texas Finance Code, §342.455	06/15/12 proposal	OCCC
8. 7 TAC, §83.3002	<b>Credit Access Businesses</b> <i>Proposed Amendments</i> To establish a licensing procedure for credit access businesses to add branch locations after licensure	06/15/12 proposal	OCCC
9. 7 TAC, §§84.804, 84.808, and 84.809	<b>Motor Vehicle Retail Installment Sales</b> <i>Proposed Amendments</i> To provide clarification and technical changes to plain language provisions for motor vehicle retail sales contracts	06/15/12 proposal	OCCC
1. 7 TAC, §25.25	<b>Prepaid Funeral Contracts</b> <i>Amendment</i> Change interest rate that must be paid on annuity funding a prepaid funeral contract converted from trust funding.	06/15/12 adoption	TXDOB

Rule	Short Title/Purpose	Project Date for Presentation to Finance Commission (Proposal or Adoption)	Agency
1. 7 TAC, Part 5, Chapter 84	Motor Vehicle Installment Sales <i>Rule Review and Amendments</i>	08/17 or 10/19/12 proposal	OCCC
1. 7 TAC, §§15.2, 15.3, 15.5, 15.7, 15.41, 15.42, 15.81, 15.101, 15.103, 15.104, 15.105, 15.106, 15.107, 15.108, 15.110, 15.113	Corporate Activities <i>Amendments</i> To clarify various requirements	08/17/12 proposal	TXDOB
2. 7 TAC, §§33.33 and §33.37	Money Services Businesses <i>Amendments</i> To conform rules to the new CFPB receipt requirements	12/14/12 proposal	TXDOB